McDonald's Corporation 110 North Carpenter Street Chicago, Illinois 60607



May 19, 2019

Dear Ms. Lakshmi:

McDonald's is committed to ensuring a harassment and bias-free workplace. I wanted to take this opportunity to share with you some of the important work we've done over the last year to support our efforts.

First and foremost, the McDonald's system has always had an unyielding commitment to providing a safe and respectful work environment for all. Both the company and our owner-operators understand that we must provide a positive experience in the restaurant and create an environment where everyone feels respected and valued. It is important we share with you our progress on this endeavor.

To ensure the business holistically considered what it means to create safe and respectful workplaces, we sought outside perspectives and began working with RAINN last year. As the largest anti-sexual violence organization in the country, RAINN is considered a pioneer in the space and they have strong education programs and research on how to prevent sexual misconduct and harassment. RAINN has been a critical partner in this process by providing employee-centered education for McDonald's and clear recommendations on how to cultivate a workplace where everyone feels safe, respected and understood. Together, we have enhanced our policy so that it more clearly informs employees of their rights, more clearly defines sexual harassment, discrimination and retaliation, and provides examples of what unacceptable behavior looks like. It also underscores how employees can report a complaint if they do not feel comfortable addressing it with a manager.

Additionally, RAINN has facilitated conversations with Futures without Violence and the American Association of University Women on the topic. McDonald's USA Chief People Officer Melissa Kersey, alongside two owner operators representing the Women Operator Association and the National Black McDonald's Operator Association, attended these discussions with a goal of listening to concerns, sharing current progress and informing future actions.

The full policy is both attached and available <u>here</u>, embedded in our larger global human rights commitment. We have reprinted and shipped posters containing the new policy to all 14,000 restaurants in the McDonald's system. We have encouraged our

Owner Operators to use this policy, along with the resources listed below, to continue to foster a safe and respectful work environment for their employees.

Understanding a policy only goes so far and must be coupled with training, we rolled out and shared with our Owner Operators a new, **third-party facilitated** and **interactive training** last fall that provides education and guidance on fostering a respectful workplace environment including how to spot, address and prevent harassment and discrimination for all restaurant managers in U.S. Restaurants – both Corporate and Franchise. To date, almost 90% of all McDonald's operators and General Managers have taken the training.

We are also going further and implementing new **educational training modules on harassment, unconscious bias and workplace safety** for frontline crew at regular points during their shifts. Together with the operator and General Manager training, these incremental modules seek to build a stronger knowledge and response foundation for those who come to work at McDonald's on what healthy relationships look like and how to manage difficult situations that may arise. The modules will be delivered to the system starting in August and paired with ongoing ways to incorporate the topic of respectful behavior into regular routines so it remains top of mind.

Additionally, the company is offering operators a **new third-party managed hotline** for reporting complaints of any kind. This hotline will supplement what operators already offer in their organizations and provide callers with an anonymous way to file a report and will be available the beginning of June 2019. At the same time we are also encouraging Owner Operators to implement a **shared values commitment to workplace safety** that includes a mutual understanding and acknowledgement of our collective responsibility in ensuring a safe, healthy and respectful environment.

While the operator and general manager training from last fall was informed by important employee feedback, we aren't stopping there. In the next two months, McDonald's and RAINN will facilitate **additional conversations with U.S. restaurant employees** and other **relevant external stakeholder groups** to help inform and further strengthen our policy and trainings. These conversations underscore our commitment to continuous improvement and being responsive to the changing needs of our business and employees – now and in the future. Importantly, we aim to convey that policies and trainings of this nature must be updated regularly and with direct feedback from the people they are designed to support.

By strengthening our overall policy, creating interactive training, a third-party managed anonymous hotline and importantly, listening to employees across the system, McDonald's is sending a clear message that we are committed to creating and sustaining a culture of trust where employees feel safe, valued and respected. Most importantly, it shows we're changing to meet the needs of our workforce and the communities where we live and operate.

I am proud of the progress we have made to date and look forward to keeping you apprised of our continued efforts to build a better McDonald's – inside and out.

Sincerely,

Steve Easterbrook Chief Executive Officer McDonald's Corporation

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